

DIRK KEMPTHORNE
GOVERNOR



GAVIN M. GEE
DIRECTOR

STATE OF IDAHO
DEPARTMENT OF FINANCE
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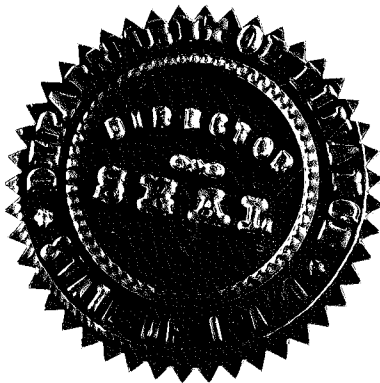
POLICY STATEMENT #2004-2

**BANK BORROWING LIMITATIONS APPLICABLE TO
BORROWINGS FROM FEDERAL HOME LOAN BANKS**

Idaho Code § 26-801 provides that the total borrowings of a bank may not exceed an amount equal to the capital and surplus of the bank, except with the consent of the director. Certain items that shall not be included for purposes of computing total borrowings are set forth, i.e., Federal funds, sales of securities or mortgage loans under repurchase agreements, Federal Reserve borrowings, borrowings to meet seasonal or unexpected withdrawal demands, and certain capital notes. The total of all borrowings by a bank, including those items, may not exceed two and one-half times the capital and surplus of a bank, except with the consent of the director.

Pursuant to the discretion authorized to the director, the Department of Finance will allow borrowings by a bank from Federal Home Loan Banks to be treated in the same manner as those items set forth in Idaho Code § 26-801(a) -- (g). The limitation of the aggregate two and one-half times the capital and surplus of a bank shall apply, except with the further consent of the director.

Dated at Boise, Idaho, this 2nd day of June, 2004.



A handwritten signature of Gavin M. Gee in black ink.

GAVIN M. GEE
Director of Finance

Banks & Savings Banks (208) 332-8005
Credit Unions (208) 332-8003
Securities (208) 332-8004
Money Transmitters (208) 332-8004

PHONE: (208) 332-8000
FAX: (208) 332-8098
Director's Fax: (208) 332-8097
Securities Fax: (208) 332-8099

EQUAL OPPORTUNITY EMPLOYER

Supporting Services (208) 332-8001
Mortgage Companies (208) 332-8002
Finance Companies (208) 332-8002
Collection Agencies (208) 332-8002